

The Morris Review of the Actuarial Profession
Room GC/08
1 Horse Guards Road
London
SW1A 2HQ

3 February 2005

Response to Morris Review Consultation Document

Dear Sirs,

The Pensions Board is the Irish regulator of pensions and pension schemes. The Board also advises the Minister for Social and Family Affairs on pension matters generally.

The Board previously responded to the relevant parts of the Morris Review consultation document as a client of the Government Actuary's Department. We were provided with a copy of the Interim Assessment, and would like to provide two comments based on recent developments in Ireland.

Actuaries practicing in Ireland are almost all members of the Faculty or Institute of Actuaries. Professional supervision in this country is the responsibility of the Society of Actuaries in Ireland, which is the Irish professional organisation, though it is not an examining body. At present, the Society is self-regulating both in matters of guidance and discipline.

Irish pension legislation and regulation relies on actuarial guidance in a number of areas, particularly defined benefit scheme funding certification and calculation of transfer values. As the pension regulator, the Pensions Board has therefore an understandable interest in actuarial professional matters. The Board has recently asked the Society to introduce a system of compliance review for actuaries in statutory pensions roles, and intends to recommend legislative underpin for such a system if it is considered necessary. The Board has laid down a number of criteria for such a system, which is intended to go further than the U.K. profession's system of pension peer review, particularly as regards independence of the reviewer, and the privacy of the results of the review. I attach a copy of the Board's recent letter to the Society on this matter.

The Pensions Board is also interested in the process of setting actuarial standards and guidance, and will be very interested in the recommendations of your review. In this context, when looking at the range of regulatory models set out in section 3.47 of the interim assessment, we would suggest that there could be a practical further model between models B and C, that of industry specific statutory supervision.

For regulatory purposes, there may be little or no overlap among the various industries in which actuaries have statutory roles. It could therefore be most practical to supervise each of these roles separately, involving the relevant regulator directly or indirectly in the process. This approach might be more responsive than other approaches, and it also might overcome the problem of economies of scale, whereby the numbers of people involved in the various levels of supervision could become disproportionate to the size of the profession.

If you require any further information, I would be happy to assist.

Yours sincerely,

ANNE MAHER
Chief Executive

Encl.